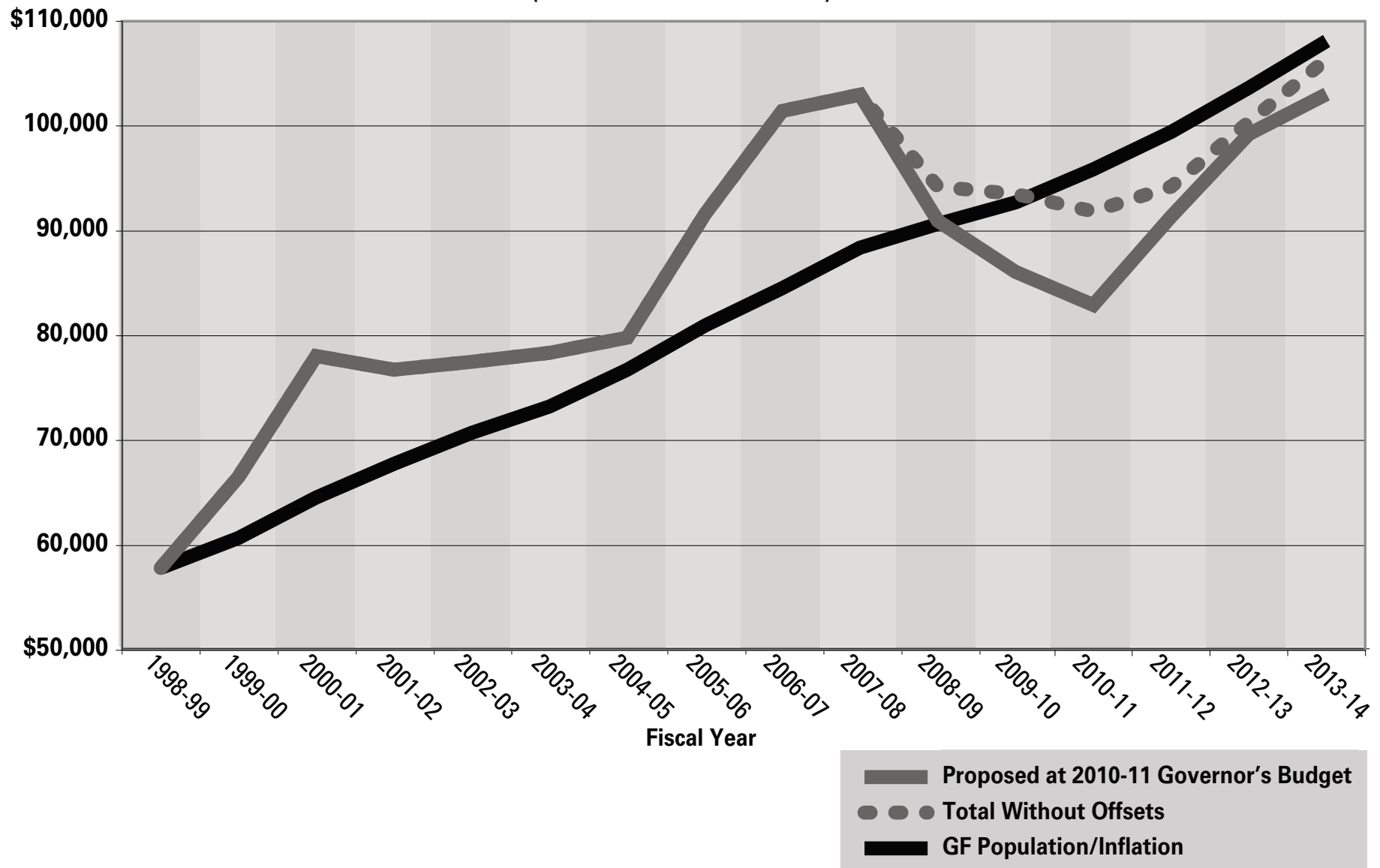


# *Governor's Budget* 2010-11



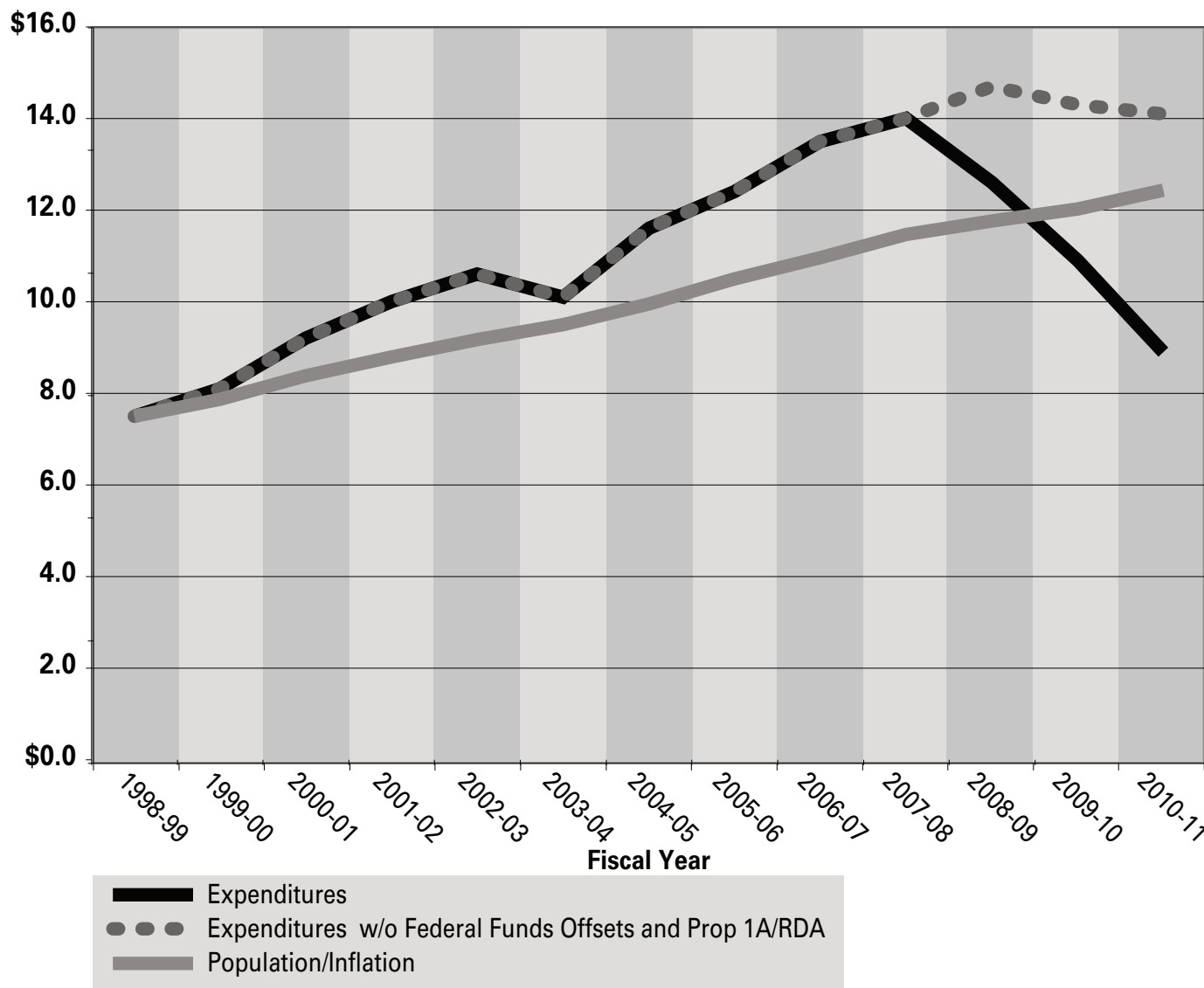
# Proposed General Fund Spending Would Remain Below Population and Inflation Growth

(Dollars in millions)



# Medi-Cal

(Dollars in billions)



## Key Facts

**Program Growth**—California has the third lowest provider rates and spends less on a per capita basis than the average of the ten largest states, yet costs are rising annually by about 8 percent.

**Managed Care**—California ranks 47th in terms of the percent of beneficiaries enrolled in managed care.

## Cost Drivers

**Caseload Growth**—Caseload is up 3.4 percent. For 2010, nearly 19 percent of Californians will be enrolled.

**Health Care Inflation**— From 2006-07 to 2008-09, spending per eligible grew by 7.5 percent, primarily because of the following: pharmacy costs grew by 17 percent, non-physician outpatient services grew by 11 percent, community hospital inpatient costs grew by 9.4 percent, and county outpatient costs grew by 8.2 percent.

**High Cost Beneficiaries**—Disabled and elderly persons represent a small percentage of the population, but use most of the program budget through more costly fee-for-service benefits.

**FMAP**—The current formula relies on per capita income, which penalizes California since a few extremely high wage earners skew the per capita income and mask a significant amount of Californians living in poverty. California receives a 50 percent share from the federal government, the lowest possible share. The average of other populous states and the national average is 57 percent.

# Medi-Cal

## **Current and significant General Fund Reforms and Major Changes**

- Improving Health Care Coordination and Controlling Long-Term Medi-Cal Costs—Utilization of managed care or other specialized delivery systems of care for vulnerable populations, including seniors, people with disabilities, children with significant medical needs, and individuals with behavioral health problems. By providing earlier and appropriate care, restructuring this program will keep Californians healthier and avoid unnecessary emergency room visits, saving \$800 million annually (\$400 million General Fund) by 2012-13.
- Centralizing Eligibility and Enrollment for Public Assistance—Transforming enrollment and eligibility for the Medi-Cal, CalWORKs, and Food Stamp programs from an inefficient, labor-intensive, and decentralized system to a modern online process. The plan required by the legislation will specify the timeframes and savings expected from these reforms. Savings could be as high as \$1 billion (\$500 million General Fund) annually by 2012-13.
- Medi-Cal Optional Benefits—Savings of \$129.4 million resulting from the elimination of nine optional Medi-Cal benefits for adults, including dental, optometry/optician, dispensing optician, fabricating optical lab, chiropractic, psychology, podiatry, acupuncture, speech therapy and audiology, and incontinence creams and washes.

# Medi-Cal

## 2010-11 Budget Solutions (Dollars in millions)

### Increase Federal Participation

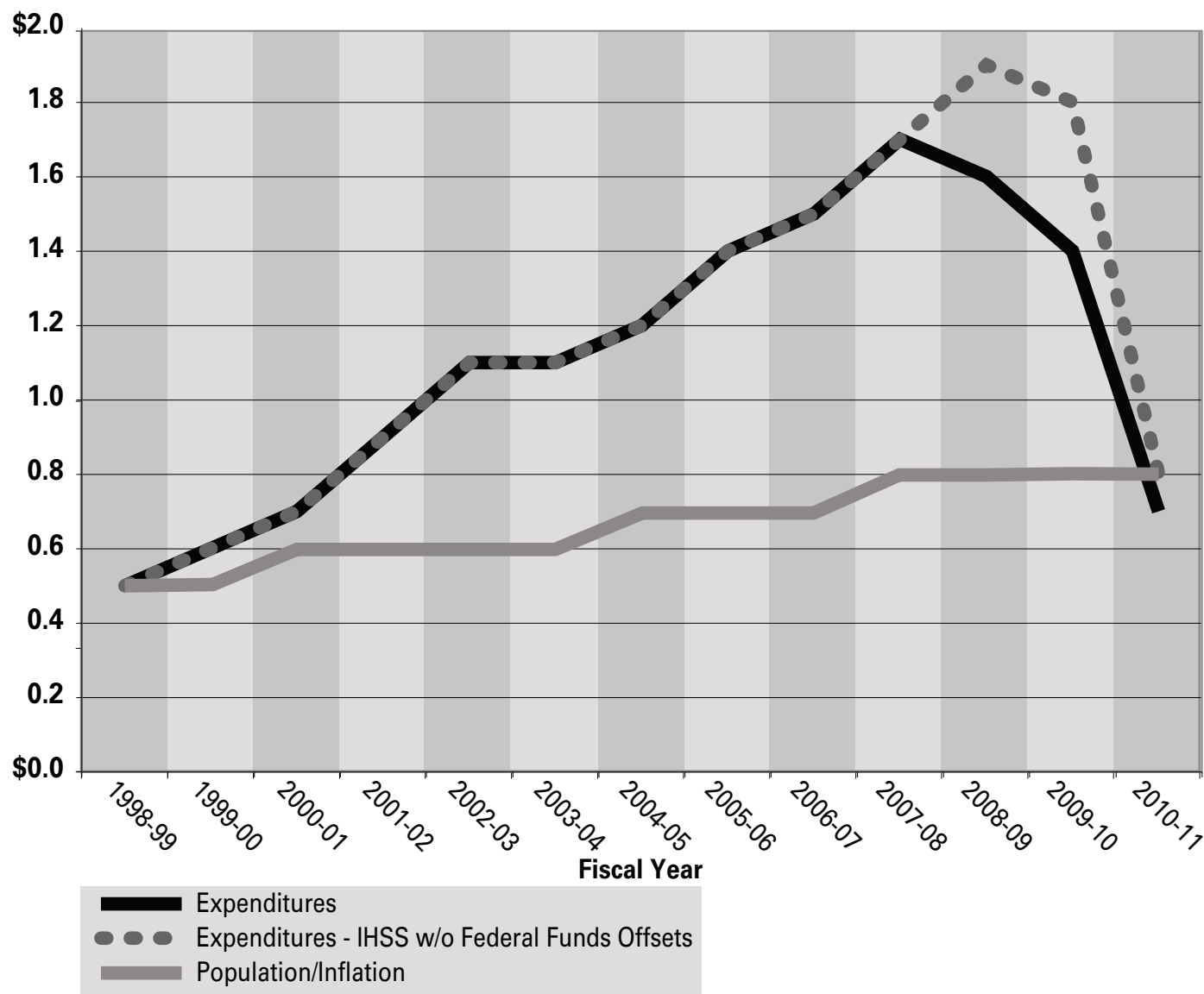
- (1) Increase California's FMAP to the level of other large states (57% for \$1.8B in 2010-11), (2) Pay California and other states for costs owed as a result of providing services that should have appropriately been federal (\$1B in 2010-11 and \$75M ongoing), and (3) Maintain the enhanced FMAP ratio provided under ARRA (\$1.2B). \$4,010

### Reductions

- Implement strategies, similar to what other states have done, to reduce Medi-Cal costs. These strategies will include a combination of the following: (1) Limits on services and utilization controls, (2) increased cost sharing through co-payment requirements, premiums, or both, and (3) other programmatic changes. 750
- Eliminate Full-Scope Medi-Cal for Certain Immigrants—Elimination of full-scope Medi-Cal for legal immigrants who have been residing in the United States less than five years, except pregnant women, and immigrants Permanently Residing Under the Color of Law, and Amnesty Immigrants who are not defined as eligible Qualified Immigrants under federal law. 118

# In-Home Supportive Services

(Dollars in billions)



## Key Facts

IHSS services exceed similar services provided in other states and serve a much wider population.

## Cost Drivers

**Caseload**—Over the last ten years, caseload has more than doubled from 208,000 to 430,000 recipients. This accounts for 53 percent of the increase in total costs over this period.

**Cost per hour**—State law triggered a series of increases in the hourly amount up to which the state participates in IHSS worker wages and health benefits. This accounts for approximately 39 percent of the increase in total costs.

**Hours per case**—Hours per case account for approximately 8 percent of the increase in costs.

# In-Home Supportive Services

## **Current and Significant General Fund Reforms and Major Changes**

- Reducing services by: (1) limiting domestic and related services (housework, shopping and errands, and meal preparation and clean-up) to only those individuals assessed to have the greatest need for those services, and (2) providing services to only those individuals with greater needs based on an assessment of their ability to function within 11 activities of daily living (estimated to save \$493 million [\$123 million General Fund] annually).
- Reducing state financial participation in the cost of IHSS worker wages and benefits from \$12.10 per hour to \$10.10 per hour (estimated to save \$353 million [\$88 million General Fund] annually).
- Implementing rigorous anti-fraud efforts that require: (1) all providers to attend an orientation, obtain a background check, and be fingerprinted during 2009-10, (2) IHSS recipients to be fingerprinted, (3) timesheets to be signed under a statement acknowledging that false timesheets are subject to civil penalties, and (4) fingerprints of both the recipient and provider on timecards. In addition, this reform generally disallows provider checks from being sent to post office box addresses, and authorizes case reviews, targeted mailings, and unannounced home visits (estimated to save \$521 million [\$130 million General Fund] annually).

*Note: Federal court injunctions have prevented implementation of the first two reform measures, while state court injunctions have prevented implementation of certain components of the third reform measure above.*

# In-Home Supportive Services

## 2010-11 Budget Solutions (Dollars in millions)

### Reductions

- Reduce state participation in IHSS worker wages/benefits from \$10.10 per hour to \$8.60 per hour effective June 1, 2010. \$271.8
- Eliminate IHSS services for recipients with Functional Index scores below 4.00 (weighted average of ability to perform various activities of daily living) effective June 1, 2010. 650.8

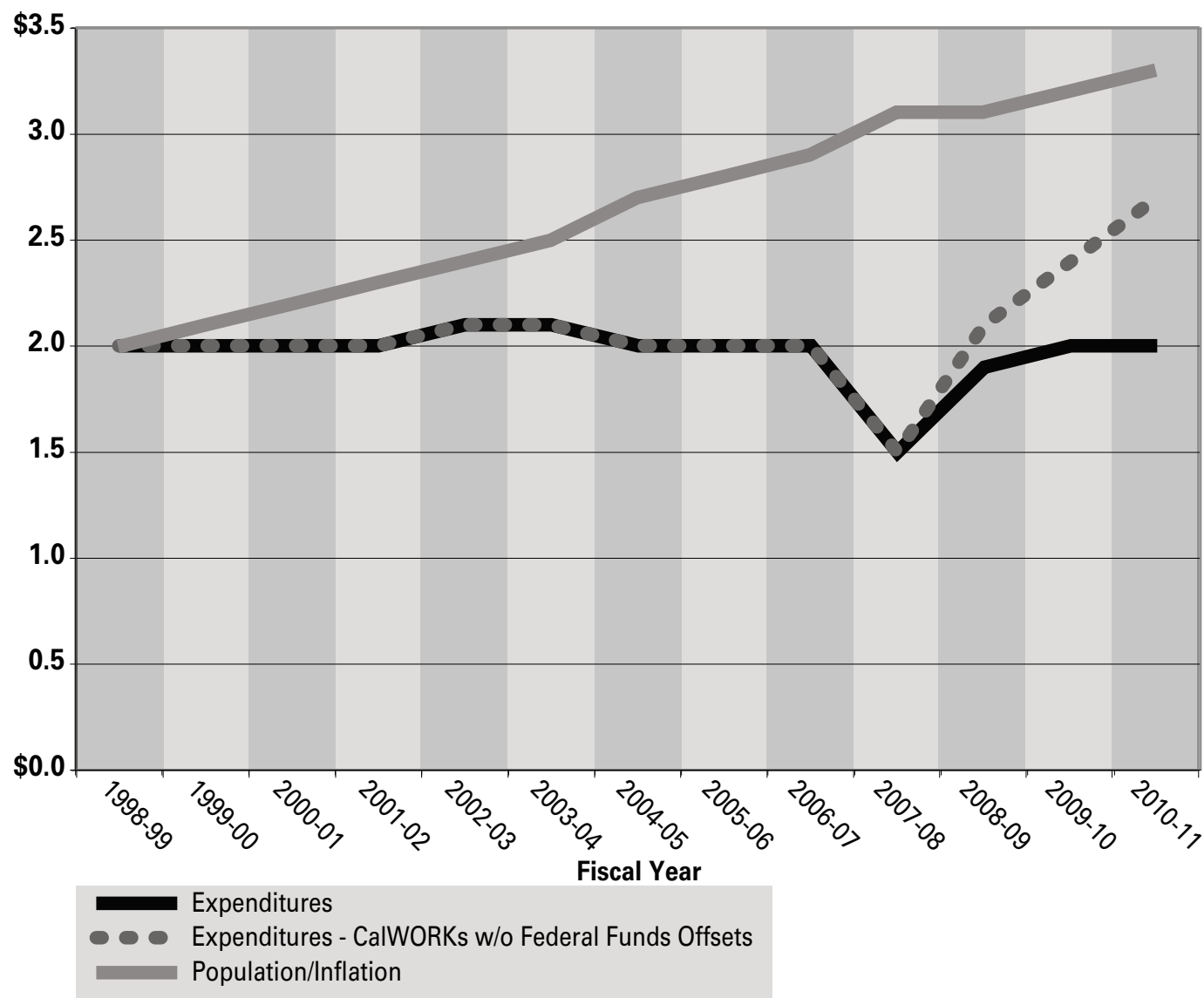
### Federal Funds

- Extend ARRA funding (enhanced FMAP) through 2010-11 (this funding currently expires on January 1, 2011). 49.8



# CalWORKs

(Dollars in billions)



## Key Facts

California's welfare program differs from other states in two significant areas: (1) California provides a safety net program for children after the adult(s) reach(es) their 60-month time limit (only ten other states offer such a program); and (2) California's grant level is the fourth highest in the nation and ranks second highest among the ten largest states.

## Cost Drivers

The recent economic downturn has caused CalWORKs caseload to grow, resulting in significant cost increases in the program.

# CalWORKs

## **Current and Significant General Fund Reforms and Major Changes**

- Short-Term Reforms—The 2009-10 and 2010-11 budgets prioritize resources for employment services and child care to recipients who are working (saves approximately \$370 million in 2009-10).
- Beginning in 2011-12, the following long-term reforms (which are estimated to result in annual savings of \$600 million) become effective:
  - Restructuring time limits by requiring the adults in families that have received aid for a cumulative 48 months within a 60-month period to “sit out” and not receive aid for 12 months.
  - Requiring all non-exempt recipients who are not meeting work requirements to meet face-to-face twice a year for a review with county workers.
  - Strengthening the sanction process for adults who do not comply with program requirements by progressively decreasing the family’s monthly grant if the adult continues to refuse to comply.
  - Eliminating the statutory requirement to provide an annual cost-of-living adjustment (COLA), beginning with the July 2010 COLA.

# CalWORKs

## 2010-11 Budget Solutions (Dollars in millions)

### Reductions

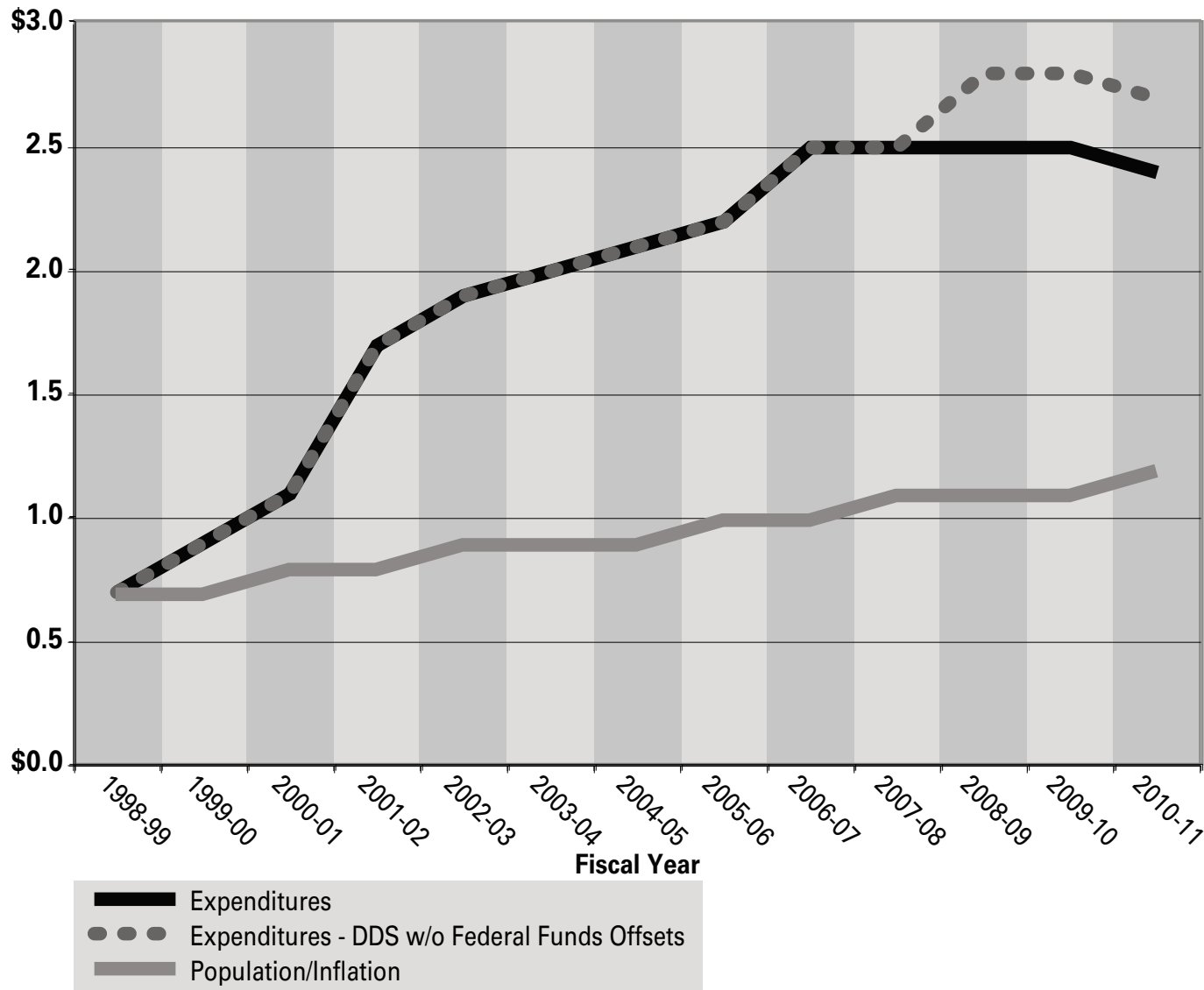
Reduce monthly grant payments by 15.7 percent. With this reduction, California's grant level would be reduced to the average grant amount of the ten states with the highest cost of living (which is \$585 per month, including California).	\$130
Reduce the reimbursement level for both licensed and exempt child care providers.	54.8
Eliminate the Recent Non-citizen Entrants program, which provides CalWORKs benefits to legal immigrants who have been in the United States for less than five years.	22.5

### Federal Funds

Extending ARRA funding (TANF ECF) through 2010-11 (this funding currently expires on September 30, 2010).	538
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# Developmental Services

(Dollars in billions)



## Key Facts

California is the only state providing developmental services as an entitlement.

California ranks 37th when comparing expenditures for developmental disability related services overall.

Twenty-one nonprofit regional centers provide services to approximately 242,000 consumers.

The Department of Developmental Services operates four residential developmental centers and one community care facility provide services to 2,100 consumers.

## Cost Drivers

**Regional Center Service Utilization**—Eighty-two percent of expenditures are associated with 25 percent of consumers, with 38 percent of expenditures tied to the 5 percent of the consumers with the most significant needs. Between 2000 and 2008, the most significant cost driver was the addition of new consumers (43 percent), followed by movement from developmental centers (24 percent), and increased utilization (11 percent).

**Autism Spectrum Disorders**—In the past ten years, the number of individuals with autism served by DDS has quadrupled. In 1999, consumers with autism accounted for 9 percent of the case load, and now represent 23 percent.

# Developmental Services

## Regional and Developmental Centers

### Current and Significant General Fund Reforms and Major Changes (Dollars in millions)

- Regional Centers and Developmental Centers: Reductions developed through a Stakeholder Process—**For regional centers:** expanding federal funding, developing general standards for authorizing regional center services, limiting services and eligibility for children age 0 to 3 in the Early Start Program, increasing the use of public and family transportation, the temporary suspension of selected services (social/recreational activities, camping), and capping respite services. **For developmental centers:** closing the Sierra Vista community facility, delaying capital outlay projects, and expanding the number of Porterville Developmental Center residents eligible for federal reimbursement. \$334
- Regional Centers—3 percent Provider Payment Reduction through June 2010. 61

# Developmental Services

## Regional and Developmental Centers

### 2010-11 Budget Solutions (Dollars in millions)

#### Regional Centers Reductions

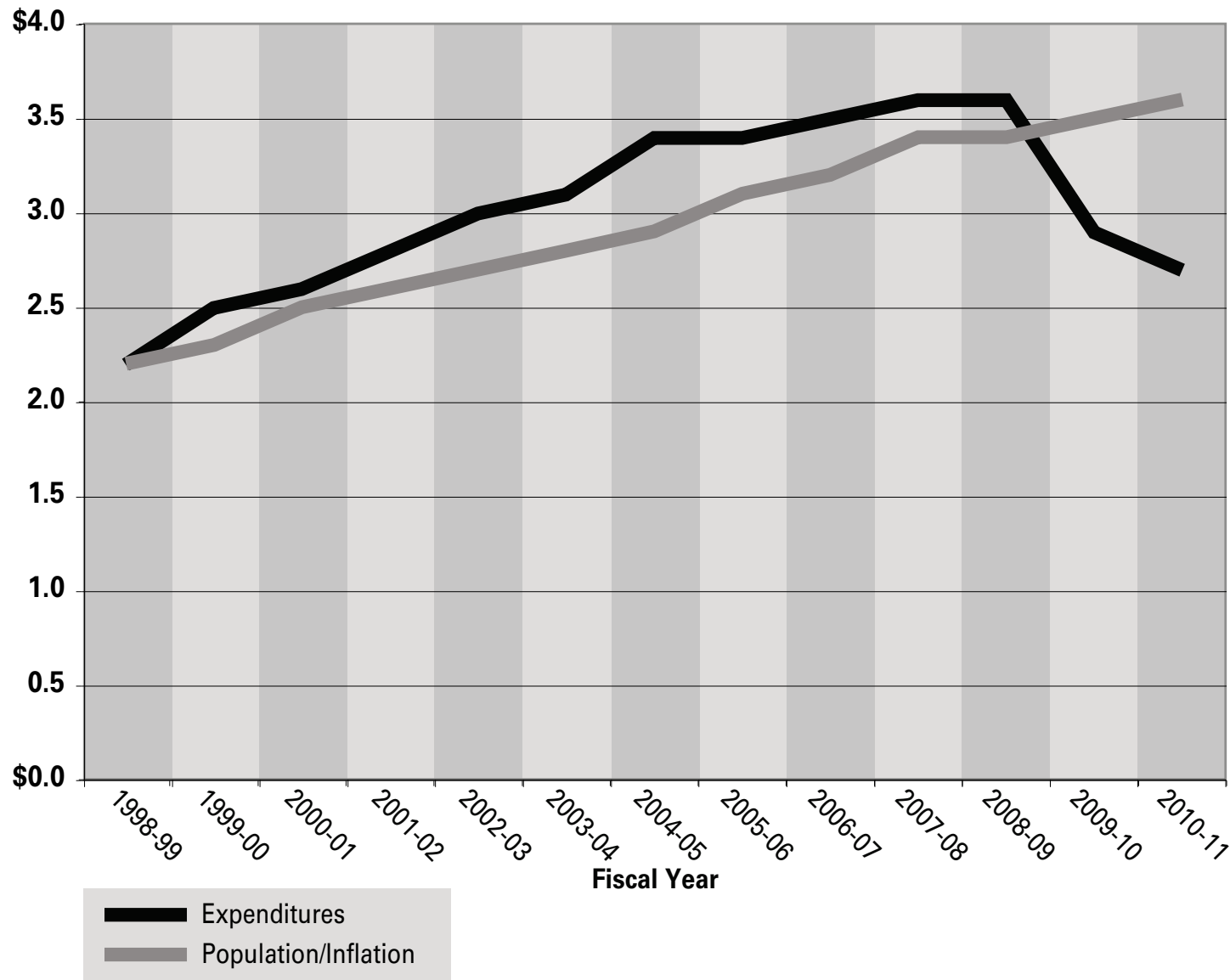
- |  |        |
|--|--------|
| • Expansion of consumer services associated with a 1915(i) amendment to California's Medicaid State Plan | \$52.5 |
| • Additional program reforms to be developed by the existing stakeholder process.                        | 25     |
| • Extend the 3-percent provider payment reduction through 2010-11.                                       | 60.9   |
| • Additional savings associated with the proposal already developed by the stakeholder process           | 61.6   |

#### Increase Federal Participation

- |   |       |
|---|-------|
| • Continue federal ARRA/FMAP investment and continue increased federal funding in the Individuals with Disabilities Education Act (IDEA), Part C, which funds a portion of the Early Start Program. | 195.6 |
|---|-------|

# Supplemental Security Income/State Supplementary Payment

(Dollars in billions)



## Key Facts

Even with the recent reductions enacted, California's monthly SSI/SSP grants remain the second highest in the nation behind Alaska.

## Cost Drivers

**Caseload**— SSI/SSP caseload has increased from 1.039 million recipients in 1998-99 to 1.263 million recipients in 2008-09, an average annual increase of more than 22,000 recipients.

**Cost Per Case**—Until state COLAs were eliminated in the 2009 Budget, monthly grant levels had increased six times since 1998-99. Monthly SSI/SSP grants for aged/disabled individuals have increased from \$676 in 1998-99 to \$845 in 2009-10, and monthly grants for aged/disabled couples have increase from \$1,201 in 1998-99 to \$1,407 in 2009-10.

# Supplemental Security Income/ State Supplementary Payment

## Current and Significant General Fund Reforms and Major Changes

- Withhold pass-through of the January 2009 federal COLA (reduces the state portion of the grant by the amount of the federal increase, resulting in no net change to the monthly grant total). Saves \$363 million General Fund annually.
- Reduce monthly grants by 2.3 percent. Saves \$231 million General Fund annually.
- Further reduce monthly grants for couples to the federal minimum and reduce monthly grants for individuals by \$5. Saves \$150 million General Fund annually.
- Eliminate the statutory requirement to provide a state COLA, beginning with the June 2011 COLA.

## 2010-11 Budget Solutions (Dollars in millions)

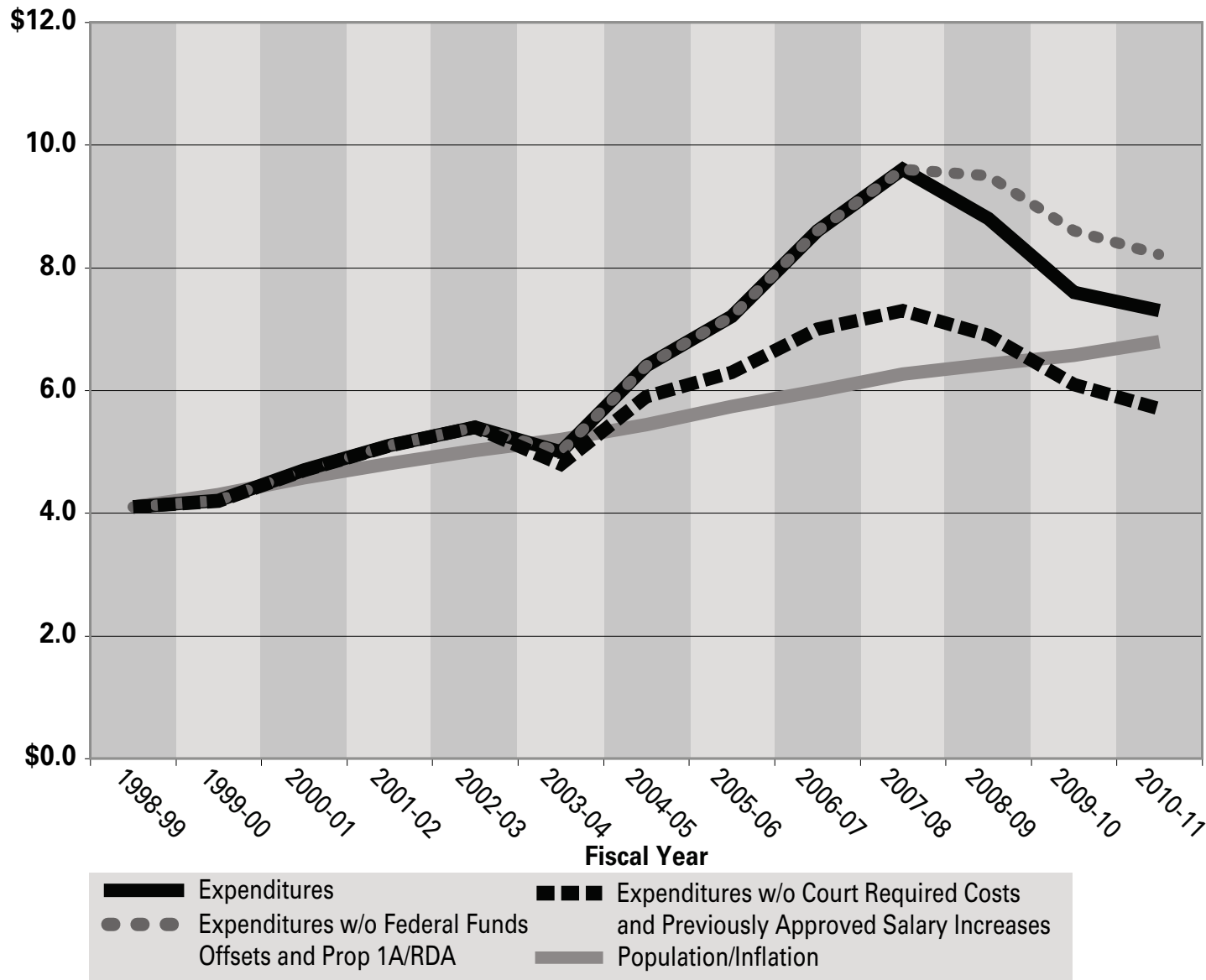
### Reductions

- |   |         |
|---|---------|
| • Reduce monthly grants for individuals by \$15 (1.8 percent). This would reduce monthly SSI/SSP payment levels to the federal minimum, from \$845 to \$830. Grants for couples were reduced to the federal minimum in the 2009 Budget Act. | \$177.8 |
| • Eliminate the Cash Assistance Program for Immigrants effective June 1, 2010. This state-only program provides benefits to aged, blind, and disabled legal immigrants who are not eligible for federal benefits.                           | 107.3   |



# Department of Corrections and Rehabilitation

(Dollars in billions)



## Key Facts

**Population Levels**—California's incarceration rate is in line with most other states.

**Inmate Cost**—California spends an average of \$50,000 per inmate per year. By comparison, the ten largest states spend \$32,000.

**Inmate to Correctional Officer Ratio**—In 2005, California had 6.1 inmates per correctional officer, compared to a national average of 4.9 inmates per correctional officer.

## Cost Drivers

**Correctional Officer Salaries**—Correctional officer salaries are 33 percent higher than the mean for comparable positions in other jurisdictions and parole agent salaries are 25.5 percent higher.

**Court-Driven Costs**—Numerous state and federal court orders have dramatically increased the cost of prison health care, parole hearings, ADA compliance, and juvenile incarceration. California's average medical inmate cost is approximately \$11,000 per inmate, as compared to approximately \$5,757 for New York.

# Department of Corrections and Rehabilitation

## Current and Significant General Fund Reforms and Major Changes (Dollars in millions)

- |  |         |
|--|---------|
| • Parole Reforms—Reduce parole agent caseloads and focus parole supervision on serious and violent offenders, as well as offenders who have a high risk of reoffending. Prohibit low and moderate risk offenders from being returned to prison for technical violations. Require the use of science-based risk assessment instruments to determine appropriate sentences and expanded use of active GPS monitoring as one parole supervision tool. | \$121.3 |
| • Credit Earnings—Enhance sentence credits were put in place for time served in county jails while awaiting placement with CDCR, completing rehabilitative programs, placement on a waiting list to serve in a fire camp, and time served while being processed for return to custody due to parole violations.  | 97.3    |
| • Felony Probation—A system of financial incentives for counties to reduce the number of failed felony probationers sent to state prison.  | 30      |
| • Revocation Courts—Pilot program establishing parole reentry courts designed to prevent parole revocation and return to prison for parolees who would benefit from community drug treatment or mental health treatment.   | 10      |
| • Medical Rates—Limited hospital, physician, and ambulance service provider reimbursement rates at or slightly above the amount payable under the Medicare Fee Schedule.   | 50      |

# Department of Corrections and Rehabilitation

## 2010-11 Budget Solutions (Dollars in millions)

### Reductions

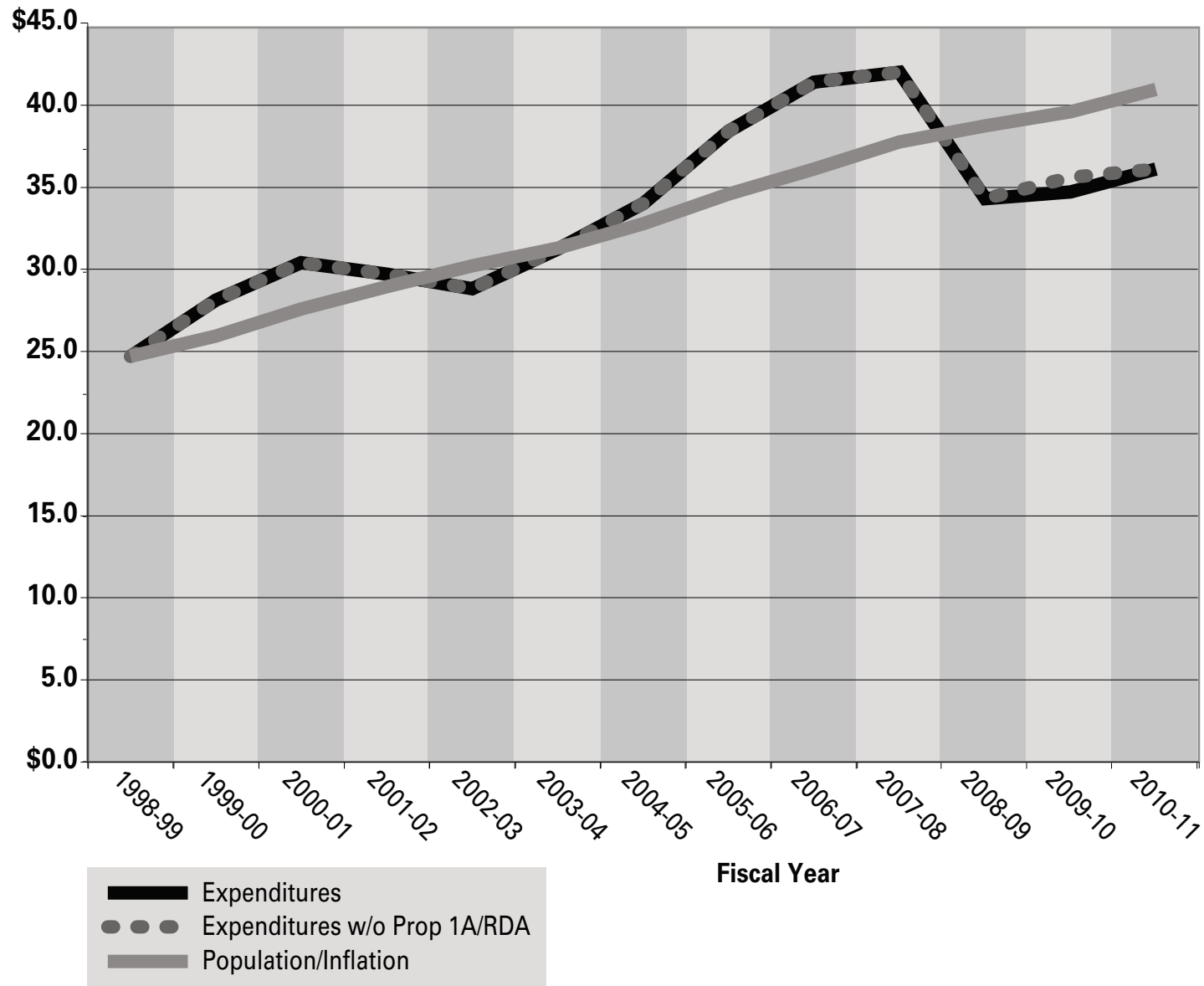
- Reduce the per-inmate cost of medical care to the State of New York's current per-inmate cost of \$5,757. \$811
- Continue reducing the juvenile offender population from 1,600 to 1,200 by restricting the age of jurisdiction to 21, transferring eligible offenders to adult institutions, and limiting extensions to minimum sentence lengths. 48
- Revise current statutes that impose relatively short prison terms for certain felonies. These offenses would continue to be classified as felonies, but they would be subject to jail time only. 291.6

### Federal Funds

- Full State Criminal Alien Assistance Program reimbursement 879.7

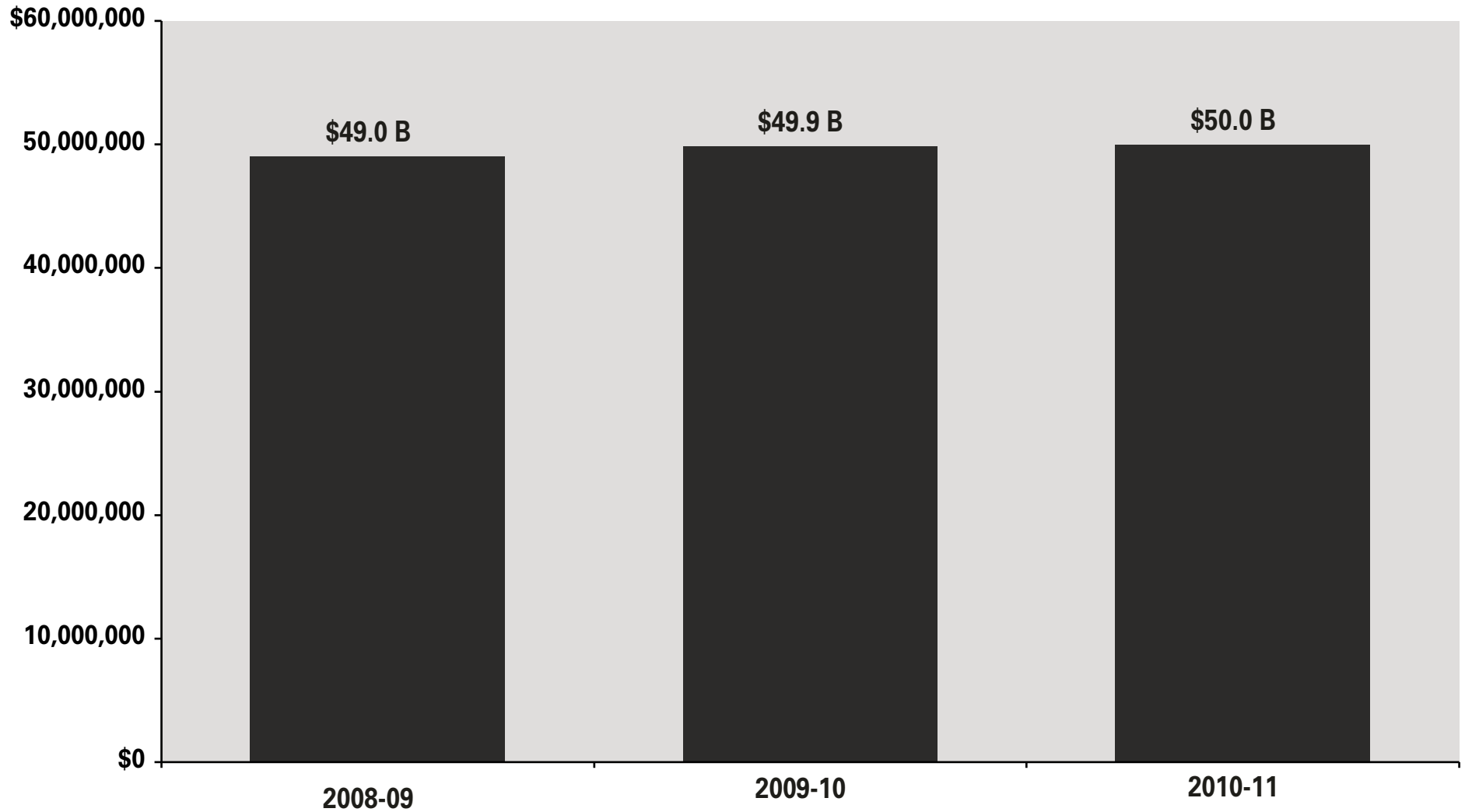
# Proposition 98

(Dollars in billions)



# Proposition 98 Guarantee 2010-11 Governor's Budget

(Dollars in thousands)



# K-12 Education

## **Current and Significant General Fund Reforms and Major Changes**

- **Categorical Funding**—The 2009 Budget Act helps school districts manage their budgets during these difficult economic times by providing relief from a variety of requirements attached to 42 categorical programs through fiscal year 2012-13, allowing school districts transfer funds to meet their highest priority needs.
- **Class Size Flexibility**—The 2009 Budget Act reduces penalties associated with K-3 Class Size Reduction, allowing districts to retain up to 70 percent of funding if pupil-to-teacher ratios increase more than 25 to 1, through 2011-12, providing greater local flexibility.
- **School Year**—The 2009 Budget Act also provides schools flexibility through 2012-13 to reduce instruction by up to five days, if necessary, to accommodate the reductions made in 2009-10 without losing incentive funding they receive to maintain a 180-day school year.

# K-12 Education

## 2010-11 Budget Solutions (Dollars in millions)

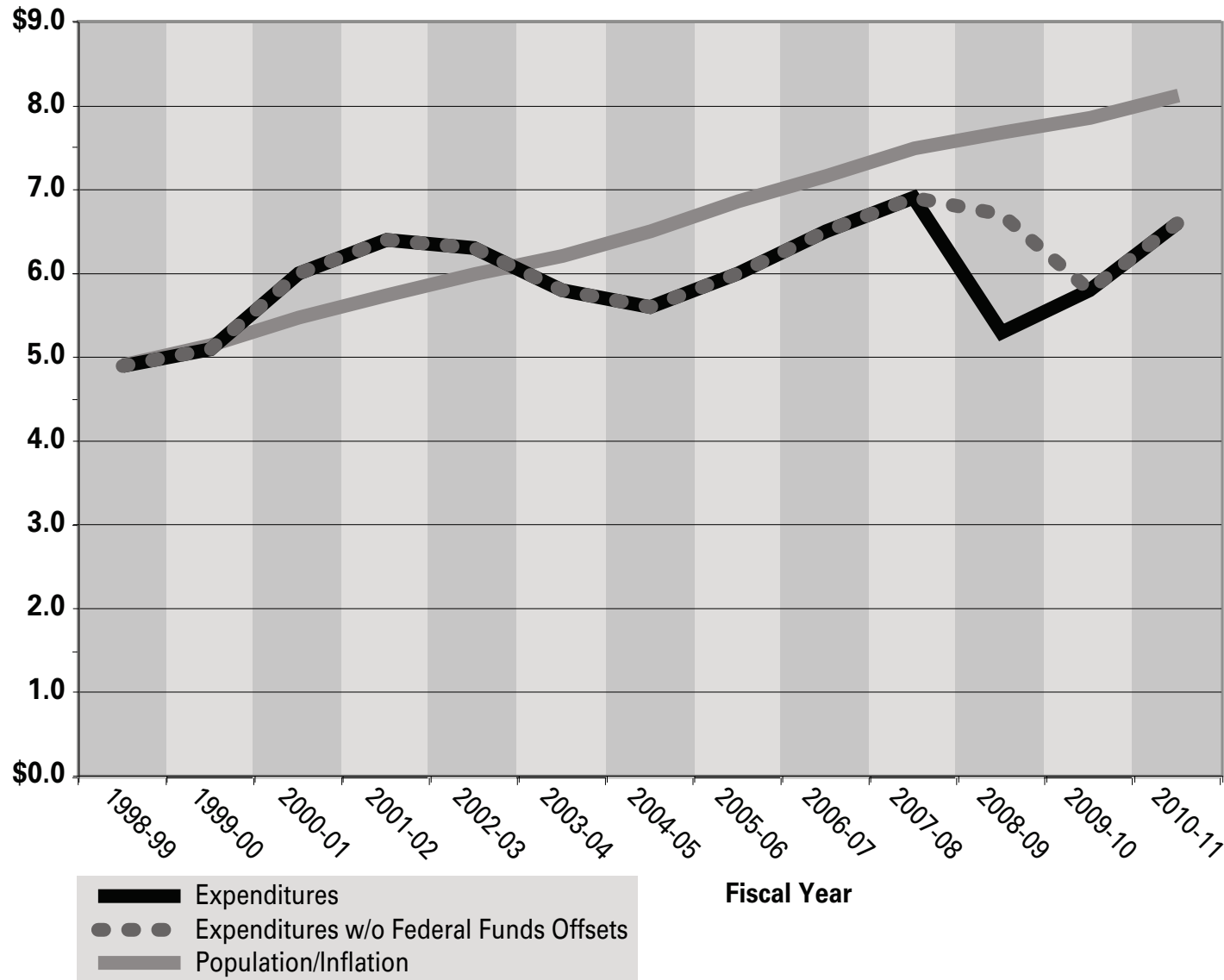
- School District Administrative Costs—Reduce the proportion of funding school districts spend on central administration and protect classroom spending, including spending for teachers and principals, from further reductions. \$1,200
- County Office of Education Administrative Consolidation—Require county offices of education to consolidate services and functions, which may include county offices of education forming regional consortia to provide these services. The consolidation of county offices will achieve economies of scale and reduce administrative costs. 45
- Contracting Out—Eliminate barriers to contracting out to enable school districts to achieve cost reductions. 300

## Program Reforms

- Teacher Seniority—Change state law to give local school districts the flexibility to layoff, assign, reassign, transfer and rehire teachers based on skill and subject matter needs without regard to seniority.
- Staffing Notification Process—Change the staffing notification window for teachers to 60 days after the state budget is adopted or amended.
- Substitute Costs—Eliminate the provisions in state law that require teachers who have been laid off to receive first priority for substitute assignments and that these substitutes be paid at the rate they received before they were laid off if they work more than 20 days within a 60-school day period.
- Comprehensive Reforms—Consider additional reforms to the state’s public school system to augment the fiscal reforms identified above and build on the spirit of reform embodied in President Obama’s Race To The Top initiative.

# Higher Education

(Dollars in billions)



## Cost Drivers

**Enrollment**—From 1998 to 2008, Full-time Equivalent (FTE) enrollments in the UC and CSU system increased by approximately 38 percent or over 165,000 FTE students.

**Salaries**—Maintaining competitive faculty and administrator salaries ensures high quality instructors and researchers. A 2007 CPEC salary comparison with comparable public university systems nationwide indicate a faculty salary lag of over 13 percent, excluding benefits.

**Higher Fees**—Fees have been historically very low at UC and CSU compared to other comparable systems, which requires a larger General Fund subsidy for students. Recently, UC and CSU fees have increased by approximately 50 percent. Additionally, since 2001-02, the state has offered CalGrant entitlements to all high school graduates of low income with a 2.0 GPA which pays the full systemwide fees at our public colleges. CalGrant costs have more than doubled since that time to almost \$1.1 billion in 2009-10.



# Higher Education

(Excluding CCC Local Assistance)

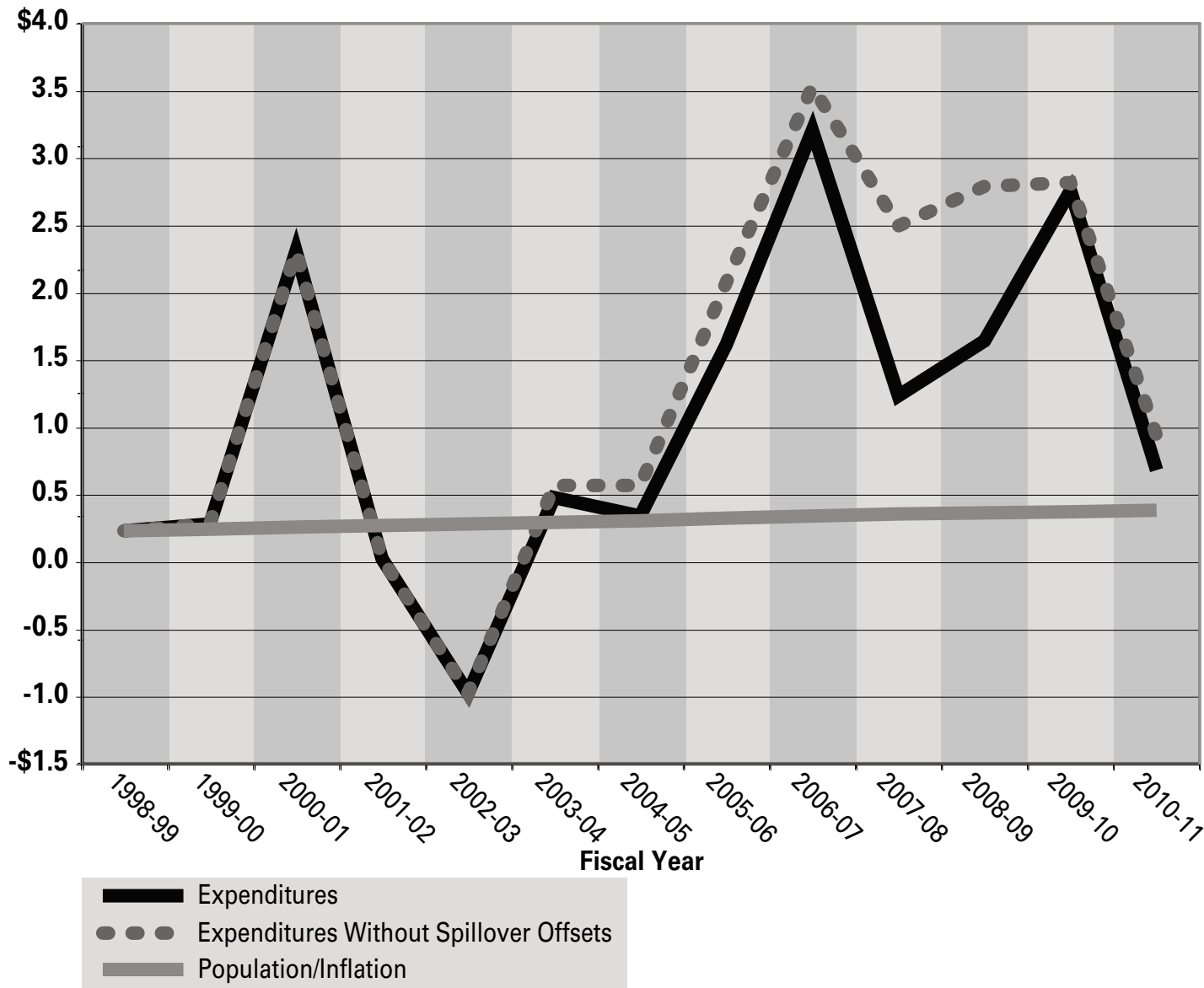
## 2010-11 Budget Solutions (Dollars in millions)

### Reductions

- Suspend the Cal Grant Competitive Program—Maintains existing awards and eliminates new awards for the Cal Grant Competitive Program in 2010. **\$45.5**

# General Fund Transportation

(Dollars in billions)



## Key Facts

“Spillover” revenues have increased from the \$0 to \$200 million range to nearly \$1 billion in recent years. The increased fuel prices have reduced consumption of other taxable goods, reducing GF revenues.

In recent years, the Budget used sales tax revenues on fuel to fund transportation costs for regional centers, school busing, and reimbursement of the General Fund for current and past debt service payments made on transportation-related GO bonds. In 2009, the Shaw case ruled that most of these uses were illegal.

In 2000-01, the Traffic Congestion Relief Program was started with a redirection of \$2 billion of General Fund sales tax. This predecessor of Prop 42 was quickly wound down and most of the \$2 billion borrowed back.

Prop 42 was adopted in 2003-04 but was suspended partially in 2003-04 and fully in 2004-05. Much of this was restored in 2006-07. Restoration of deferred amounts continue at \$83 million per year.

Debt service for transportation bonds has increased in recent years and will continue to increase.

# Caltrans/Fuel-Based Taxes

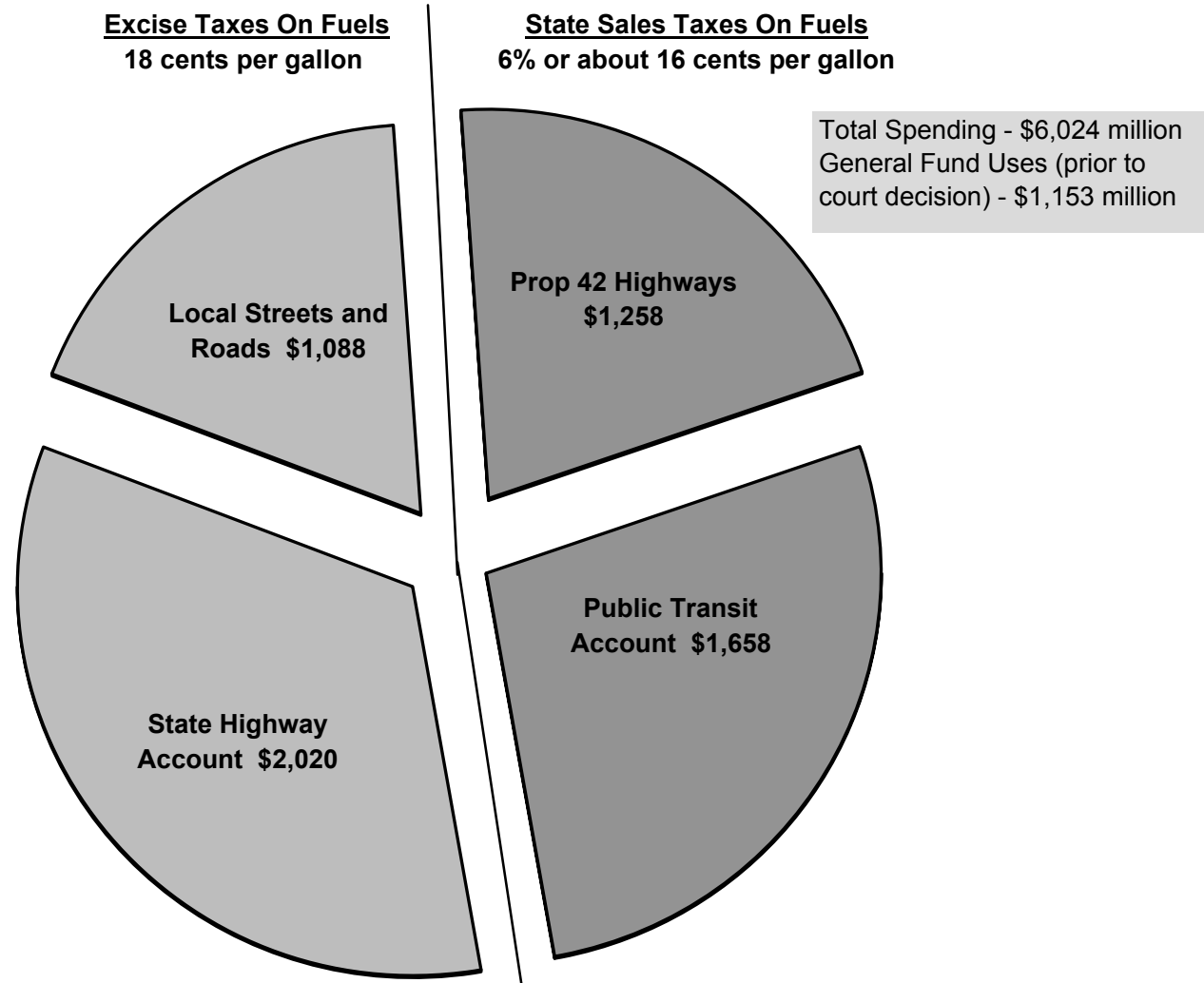
## 2010-11 Budget Solutions (Dollars in millions)

Eliminate the sales tax on fuel and increase the excise tax on gasoline by 10.8 cents, which maintains funding for transportation and reduces net taxes on consumers by \$976 million. The General Fund benefit from this fuel tax swap is as follows:

- Use increased excise tax on fuel to fund debt service on Prop 1B and seismic retrofit bonds. \$675
- Fund transit projects and intercity rail with 2009-10 Public Transportation Account (PTA) revenues. 311  
There will be a large balance in PTA because spillover revenues will now go there pursuant to the Shaw decision and are not appropriated.
- Reduce the Prop 98 guarantee by eliminating Prop 42 revenues. 836
- Spending reform will be achieved by limiting tort liability by capping non-economic damages, as most states do, and not applying joint and several liability to the state.

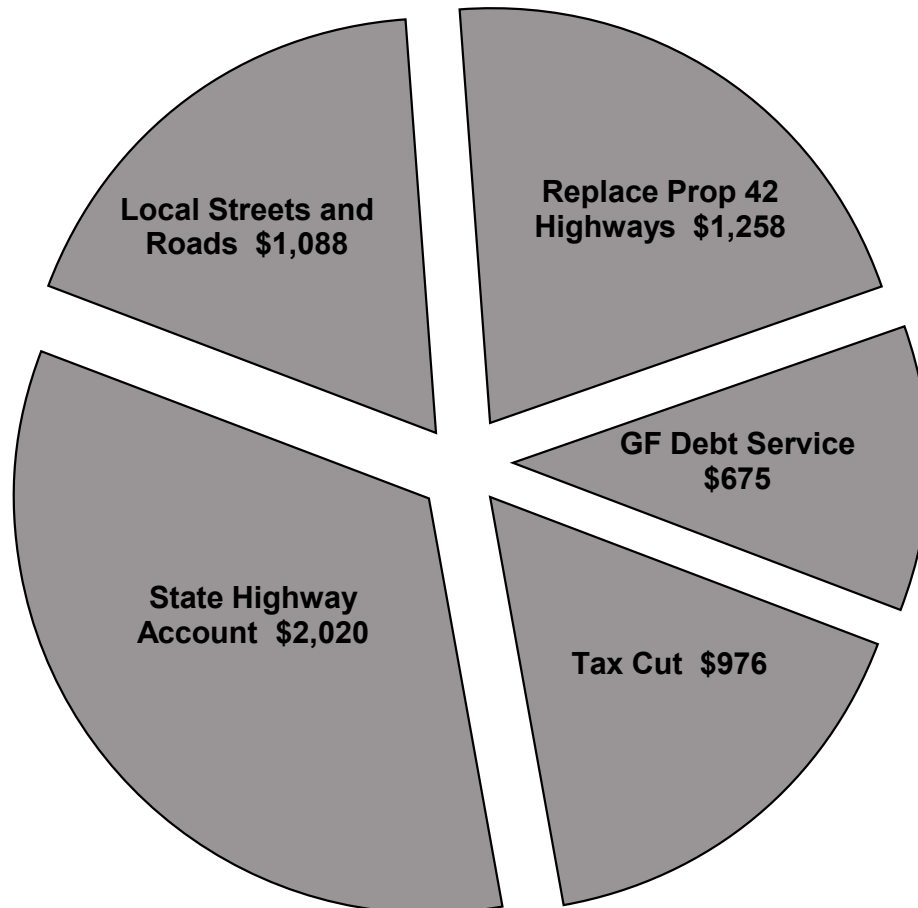
# Existing Transportation Fuel Taxes

(Dollars in millions)



# Proposed Transportation Revenues

(Dollars in millions)

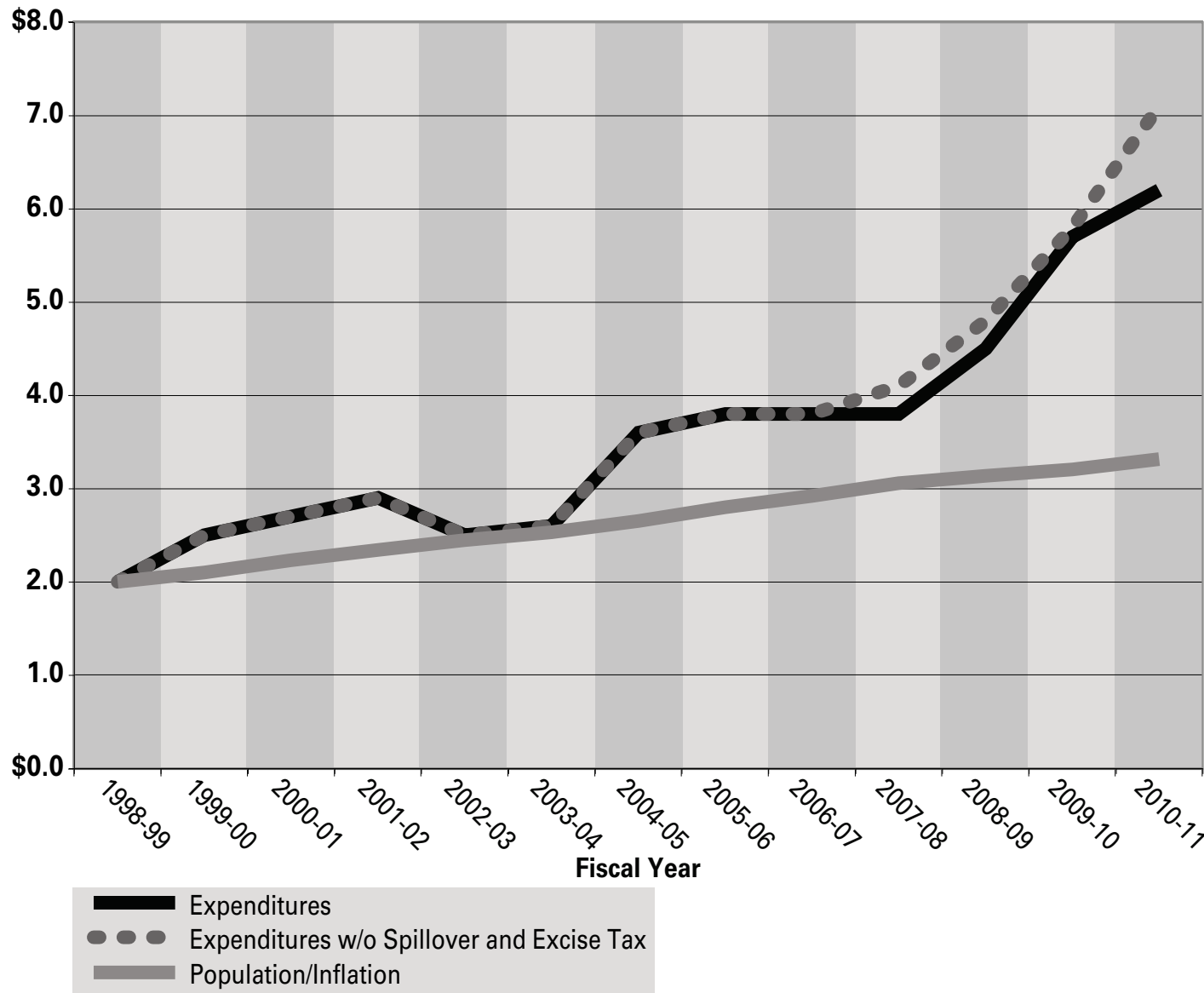


**Excise Taxes On Fuels**  
28.8 cents per gallon

Total Spending - \$5,041 million  
General Fund Benefit - \$675 million  
from highway debt service plus  
\$254 million from transit debt  
service (from prior year revenues)  
Additional Proposition 98 guarantee  
reduction of \$836 million  
Net Tax Cut - \$976 million

# Debt Service

(Dollars in billions)



## Key Facts

**Strategic Growth Plan (SGP)**—In 2006, the voters approved the SGP, authorizing \$42.6 billion in General Obligation Bonds for transportation, flood control, schools, housing, and natural resources. This funding was critical in addressing the state's 10-year infrastructure plan.

**Economic Stimulus**—To stimulate California's economy and to create jobs and address the state's most critical infrastructure, there has been an emphasis on spending bond funds in an expedited manner.

**Lower Cost of Construction**—The state's bond funds have been able to be stretched further by a favorable bidding climate as construction projects have been experiencing substantial savings.

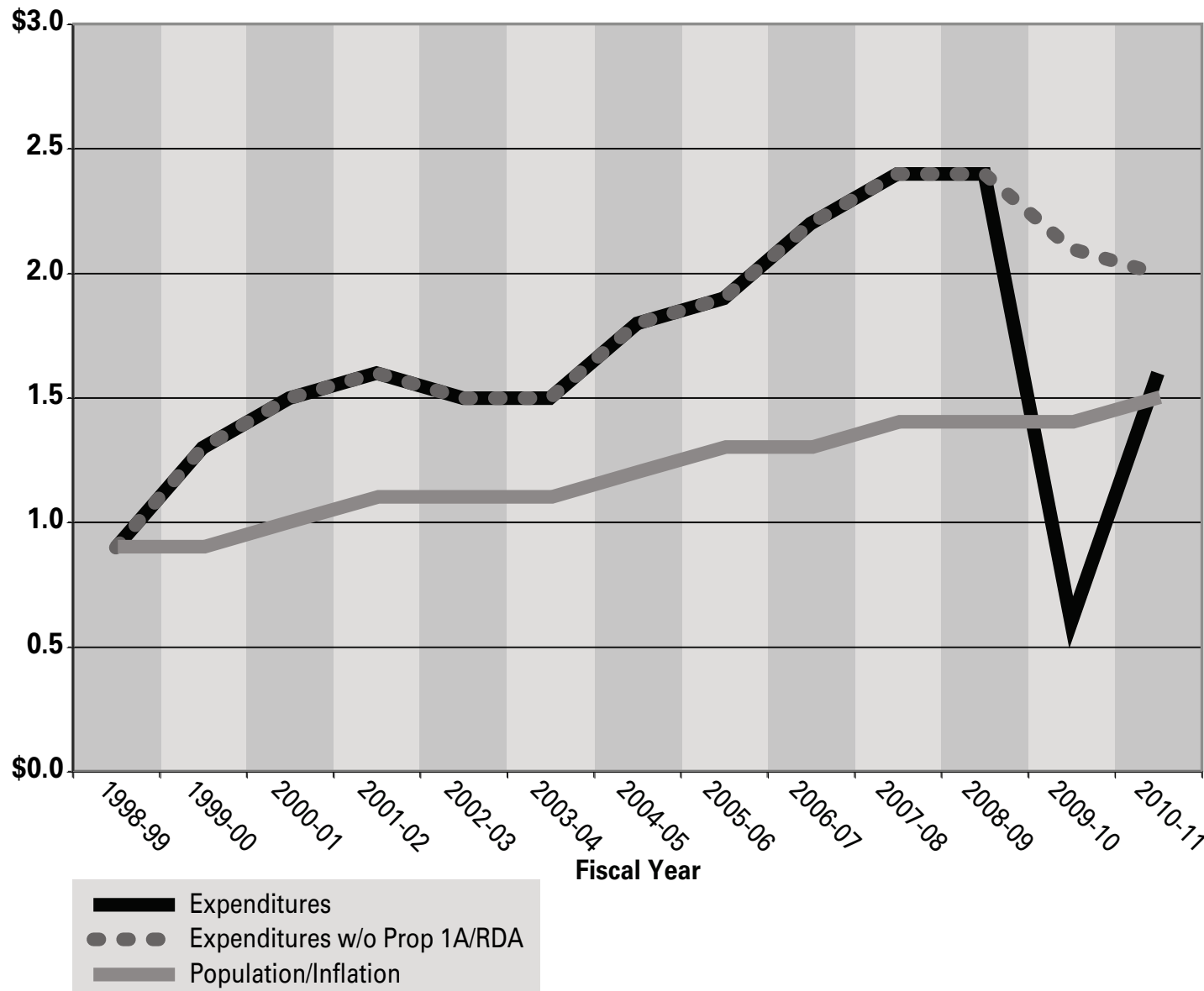
## Cost Drivers

**Interest Rates/State Credit**—California's debt service cost has increased as a result of higher interest rates resulting from its low credit rating. The current credit rating of BBB (Fitch), Baa1 (Moody's), A (S&P) has increased the cost of borrowing. The state's credit rating in the past (1987 to 1998) ranged from AAA to A.

Currently, a 30-year AAA rated GO bond has a yield of 4.13 percent versus a 30-year CA GO bond yield of 5.69 percent.

# Judiciary, General Fund

(Dollars in billions)



## Cost Drivers

**Trial Court Reform**—Pursuant to the Lockyer-Isenberg Trial Court Funding Act of 1997, consolidation of the costs of operation of the trial courts was implemented at the state level, with certain exceptions. This shift in responsibility has increased financial burden for the state, which bears the responsibility for providing for state court operations.

**Employee Compensation**—County and Court negotiated compensation rates and retirement/health benefits, along with pay parity related to the consolidation of the superior and municipal courts have resulted in cost increases.

**Court Security**—As a result of salary increases for county sheriffs and the need for consistent security staffing standards, the costs of court security has continued to rise. Additionally, the Administrative Office of the Courts indicate that some trial courts are still not fully funded for court security.

**Caseload Levels**—Programs that have faced increased workload beyond budgeted levels have included the Assigned Judges Program, Court Appointed Dependency Counsel, and Court Appointed Counsel (for appellate cases).

# Judicial Branch

## 2010-11 Budget Solutions (Dollars in millions)

### Reductions

- Delay Implementation of the Guardianship and Conservatorship Reform Act for One Year. \$17.4

### Alternative Funding Sources

- Automated Speed Enforcement—A new type of traffic violation would be created for speeding through intersections. These violations would be captured by already-installed red-light cameras and would have two tiers, depending upon the speed of the vehicle. Under this proposal, 15 percent of the revenues would be retained at the local level, and 85 percent would come to the state to offset \$296.9 million of trial court costs currently supported by the General Fund, as well as to fund court security costs. 296.9
- Property Tax Shift—Fund \$350 million in trial court costs with property tax revenues resulting in a comparable level of General Fund savings. 350



# Employee Compensation

## Current and Significant General Fund Reforms and Major Changes (Dollars in millions)

- |  |       |
|--|-------|
| • Reformed Overtime—Calculate overtime pay based on actual time worked         | \$48  |
| • Eliminated Two State Holidays  | 75    |
| • Established an emergency Furlough Program of 3 days per month during 2009-10 | 1,278 |
| • Eliminated the Rural Health Care Equity Program by the end of 2009-10        | 15.7  |

## 2010-11 Budget Solutions (Dollars in millions)

### Reductions

- |   |       |
|---|-------|
| • Cap the size and cost of the workforce at a level 5 percent lower than present.   | 449.6 |
| • An across-the-board reduction in salary of 5 percent.   | 529.6 |
| • A 5-percent increase in employee contributions for their retirement and a corresponding 5-percent reduction in state contributions. | 405.8 |
| • Change statute to allow the state to contract for a lower cost health plan. Out year savings will pre-fund OPEB.                    | 152.8 |

# Budget Solutions in 2010-11 Governor's Budget

## (Dollars in millions)

	<b>2 Year Total</b>
1. IHSS Reductions - Limit state participation in wages to minimum wage and reduce services	\$950.6
2. Medi-Cal—Establish limits on benefits and expand cost-sharing requirements	750.0
3. Medi-Cal—Reduce eligibility for recent immigrants, defer institutional provider payments, and reduce family planning rate increases	294.3
4. SSI/SSP—Reduce grants for individuals to the federal MOE level and eliminate Cash Assistance Program for Immigrants	306.9
5. DDS - Additional savings associated with current reforms	61.6
6. DDS - Expansion of consumer services associated with a 1915(i) amendment to California's Medicaid State Plan	52.5
7. DDS - Additional program reforms to be developed by the stakeholder process	25.0
8. DDS - Extend the 3-percent provider payment reduction through 2010-11	60.9
9. CalWORKs—15.7-percent grant reduction	130.0
10. CalWORKs—Eliminate program for legal immigrants	22.5
11. Child Care—Reduce reimbursement ceiling for licensed providers and license-exempt providers	54.8
12. Social Services—Eliminate State-Only California Food Assistance Program	59.9
13. Healthy Families—Reduce Eligibility from 250 to 200 percent of Poverty	74.4
14. California Children's Services—Reduce Healthy Families Eligibility to 200 percent FPL	3.9
15. Medi-Cal—Reintroduce Anti-Fraud Initiative	26.4
16. Healthy Families—Eliminate vision benefit and increase cost sharing	21.7
17. Alcohol and Drug Programs—Eliminate funding for the Offender Treatment Program	18.0
18. Employee Compensation Reductions - 5 percent pay cut, 5 percent increase in employee contribution for retirement and a corresponding 5 percent decrease in the state's retirement contribution, 5 percent cut to payroll costs, lower-cost health care and delay OPEB pre-payments	1,636.0

# Budget Solutions in 2010-11 Governor's Budget *(Continued)*

(Dollars in millions)

## Expenditure Solutions

19. Suspend certain mandates and continue to defer payment on prior-year mandate claims	232.2
20. CDCR–Fund inmate health at a level comparable to New York	811.0
21. CDCR Reforms	358.1
22. Local Government Financing–Eliminate backfill of county trailer fees	11.9
23. Judicial–Delay Implementation of the Guardianship and Conservatorship Reform Act for another year	17.4
24. Fish and Game–Reduce General Fund support for the Hunting and Fishing Program	5.0
25. Legislature to fund the cost of the State Capitol maintenance and repair, Law Revision Commission and the Commission on Uniform State Laws	6.2
26. Control Section 15.35–Additional \$40 million General Fund and \$110 million in special funds savings from consolidation of Informational Technology under the OCIO	40.0
27. Proposition 98–Fund Proposition 98 at the minimum guarantee	2,432.9
28. Phase out CalGrant Competitive Program	45.5

## **Subtotal, Expenditure Solutions**

**\$8,509.6**

# Budget Solutions in 2010-11 Governor's Budget *(Continued)*

(Dollars in millions)

## Federal Funds

29. Increase Base FMAP Rate—Increase federal matching fund rate for Medi-Cal to national average from 50 percent to 57 percent	1,806.0
30. Extend Enhanced FMAP Rate for Medicaid and Extend Other Recovery Act funding for CalWORKs, DDS, Children's Programs and Child Support	2,132.4
31. Payment for services paid by Medi-Cal instead of Medicare and Changes to the required level of state funding for prescription drug costs	1,000.0
32. Update federal funding formula for Foster Care	94.4
33. Special Education Funding—Direct reimbursement to increase federal funding to the level contemplated in federal law	1,000.0
34. Full reimbursement from State Criminal Alien Assistance Program reimbursement	879.7
<b>Subtotal, Federal Funds</b>	<b><u>\$6,912.5</u></b>

# Budget Solutions in 2010-11 Governor's Budget *(Continued)*

(Dollars in millions)

## Alternative Funding

35. Transportation Funding Swap	986.2
36. Use of Proposition 10 for Children's Services Funding	550.0
37. Increase county share in children's programs by amount of county savings resulting from reductions	505.5
38. Use of Proposition 63 for Mental Health Services	452.0
39. Courts-RDA Shift (offset by \$264m in Prop 98 costs)	350.0
40. Automated Speed Enforcement to fund courts	296.9
41. Medi-Cal-Recently enacted hospital fees	240.0
42. Fund CalFIRE with ERI	200.0
43. Fund Parks with Tranquillon Ridge Proceeds	196.9
44. Backfill support of the Department of Justice, Bureau of Forensic Services with \$2 increase in DNA Penalty Assessment	58.8
45. Proposition 99-Use \$36M of one-time reserves for Medi-Cal	36.0
46. Charge fees to support the Science Center	12.0
47. Backfill GF support of the Office of Administrative Law with a fee for service	1.7
<b>Subtotal, Alternative Funding</b>	<b><u>\$3,886.0</u></b>

# Budget Solutions in 2010-11 Governor's Budget *(Continued)*

(Dollars in millions)

## Fund Shifts and Other Revenues

48. Shift tribal revenues to GF from transportation until bonds can be sold in 2011-12	95.0
49. Fund Sweeps/Transfers	27.1
50. Miscellaneous Revenues	450.0
<b>Subtotal, Fund Shifts and Other Revenues</b>	<b><u>\$572.1</u></b>
<b>Total</b>	<b><u><u>\$19,880.2</u></u></b>